



OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of )

THREE ANGELS BROADCASTING )  
NETWORK, INC., a/k/a 3ABN )

Respondent. )

No. D06-232

**CONSENT ORDER  
IMPOSING A FINE**

**COMES NOW** the Insurance Commissioner of the State of Washington, pursuant to the authority provided in RCW 48.01.020, RCW 48.02.080, RCW 48.05.185, and RCW 48.38.050, and having reviewed the official records and files of the Office of the Insurance Commissioner, makes the following Findings of Fact and Conclusions of Law:

**FINDINGS OF FACT:**

1. Three Angels Broadcasting Network, Inc. ("3ABN") is a charitable organization that has issued, and continues to issue, charitable gift annuities in the State of Washington and, therefore, is governed by Title 48 RCW.
2. RCW 48.05.030 provides that no person shall act as an insurer nor transact insurance in this state unless authorized by a certificate of authority issued by the Commissioner.
4. RCW 48.11.020 defines the transacting of life insurance as including the granting of annuities.
5. In 1979, the Washington State Legislature enacted Chapter 48.38 RCW, which sets forth the legal and regulatory requirements for the sale of charitable gift annuities in Washington.
6. RCW 48.38.010 provides that a qualified charitable organization may, upon receiving a Certificate of Exemption from the Commissioner, conduct a charitable gift annuity business and be exempted from many of the requirements contained in Title 48 RCW.

7. From April 13, 1998 until July 25, 2005, 3ABN issued 59 charitable gift annuities in the State of Washington (totaling approximately \$1.6 million) before obtaining a Certificate of Exemption.

8. In April of 2003, 3ABN had knowledge that it was required obtain a Certificate of Exemption before issuing charitable gift annuities in Washington State. 3ABN issued 18 charitable gift annuities in Washington after having knowledge that it was required to obtain a Certificate of Exemption.

9. On January 11, 2006, 3ABN obtained its Certificate of Exemption from the State of Washington.

10. 3ABN was candid and cooperative with Office of Insurance Commissioner during the investigation of its sales of charitable gift annuities without a Certificate of Exemption.

#### **CONCLUSIONS OF LAW:**

1. By issuing 59 charitable gift annuities prior to receiving its Certificate of Exemption, 3ABN committed 59 violations of RCW 48.05.030(1) and RCW 48.38.010. Of the 59 charitable gift annuities issued by 3ABN, eighteen were issued with 3ABN's knowledge that it was required to obtain a Certificate of Exemption prior to issuance.

2. RCW 48.05.185 and RCW 48.38.050 authorize the Commissioner to impose a fine in lieu of or in addition to the suspension or revocation of an insurer's certificate of authority/exemption.

#### **CONSENT TO ORDER:**

1. 3ABN consents to entry of this Order, and acknowledges its duty to comply fully with all applicable laws and regulations of the State of Washington. 3ABN waives further administrative or legal challenge to the actions taken, or to be taken, by the Insurance Commissioner, related to the subject matter of this Order. The Insurance Commissioner consents to resolve this matter in consideration of 3ABN's payment of the fine set forth below in lieu of suspending or revoking 3ABN's Certificate of Exemption.

2. Within thirty days of the entry of this Order, 3ABN will pay to the Insurance Commissioner a fine in the amount of \$25,700 (twenty-five thousand seven hundred dollars).

3. Failure to pay the fine, in full, within thirty days of the entry of this Order will constitute grounds for suspension or revocation of the Certificate of Exemption held by

3ABN in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 19 day of July, 2006.

THREE ANGELS BROADCASTING NETWORK, INC.

By: Larry D. Ewing  
Larry D. Ewing, Director of Finance

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

**ORDER:**

1. 3ABN is ordered to pay, within thirty days of the entry of this Order, a fine in the amount of \$25,700 (twenty-five thousand seven hundred dollars).
2. Failure to pay the fine timely, and in full, will constitute grounds for suspension or revocation of the Certificate of Exemption held by 3ABN in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 21<sup>st</sup> day of July, 2006.

MIKE KREIDLER  
Insurance Commissioner

By: Thomas P. Rowland  
Thomas P. Rowland  
Staff Attorney  
Legal Affairs Division